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## Poland

**Post:** Warsaw

## Bovine Genetics Market

### Report Categories:

Livestock and Products

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### Report Highlights:

Development of dairy production in Poland after European accession increased demand for high genetic value bovine semen imported from the United States by 30 percent. An agreement between the Polish and U.S. Holstein Association signed in April 2009 is expected to stimulate increase of exports of US bovine genetics to Poland and eliminate potential trade barriers in the future.

### General Information:

The Polish market for dairy livestock genetics experienced unprecedented growth since Poland joined the European Union in 2004 with about 20 percent annual growth. Poland is now one of the major European Union dairy producers with a strong potential for future development due to very good natural conditions, well developed dairy processing industry and strong demand for exports of dairy products within the European Union and on the third markets.

## **Other Regulations and Requirements:**

Imports of bovine genetics to Poland are based on requirements outlined in the Commission Decision 2008/120/EC dated February 7, 2008 amending Council Directive 88/407/EEC and Commission Decision 2004/639/EC laying down the importation conditions of semen of domestic animals of bovine species.

Detailed information regarding EU requirements regarding imports of bovine genetics is available at the following web address:

[http://www.aphis.usda.gov/regulations/vs/iregs/animals/downloads/ee\\_bo\\_se\\_com\\_decision.pdf](http://www.aphis.usda.gov/regulations/vs/iregs/animals/downloads/ee_bo_se_com_decision.pdf).

In addition to the EU regulations the exporters must follow Polish regulations on imported genetic material. The Polish regulations on imported genetic material are based on the breeding law enforced in August 2007. Bovine semen of US origin must be accompanied by the veterinary health certificate, official pedigree and blood test confirming identity of the bull from which semen derives. The pedigree from the bull needs to be on official paper and it needs an authorizing signature from the issuing authority. The breeding value of the bull is reviewed by the Animal Breeding Institute in Balice near Krakow based on the international system of bull evaluation "Interbull". Once all the requirements are met, the Polish Federation of Cattle Breeders and Milk Producers (PFCBMP) issues an opinion and it is sent to the Ministry of Agriculture for final approval. Approval is given by bull and is good for two years; shipment by shipment approval is not required.

## **Production:**

Poland has the third largest dairy cow herd in the EU27 after Germany and France. As of January 1, 2009, in Poland there were 5,564,000 head of cattle out of which 2,772,000 head of dairy cows. It is estimated that current total annual Polish bovine semen market amounts to **4.2 million doses** and is worth approximately **US\$ 30 million**. In 2008, most semen used for artificial insemination (AI) was from Holstein bulls (dairy). Beef bulls semen was used primarily for production of crossbred calves which are exported to Italy and France. Poland produces bull semen in four AI stations.

The vast majority of Polish dairy cattle (90 percent) are Holsteins. Since the mid-nineties farmers have used domestic and imported semen of Holstein bulls to increase productivity of their dairy herds. Over twenty percent of dairy cows are under a milk recording program (Dairy Herd Improvement Program - DHIP). There is a continuous and fast increase of dairy cattle milk yields because of the intensive imports of Holstein genetics from the European Union and the United States. In 2008, average annual milk yield amounted to 4,596 kilograms per cow (10,111 pounds). Since EU accession in 2004, Poland experienced very fast increase of dairy production due to growing demand for export of dairy products to the former EU15 countries. As a result of growing demand raw milk prices have been increasing enabling dairy farmers to invest in better genetics, enlargement of herds and introduction of new technologies. Poland has natural condition for increase of dairy production due to large acreage of pastures and meadows. The milk quota

which currently limits increase of dairy production is expected to be liquidated after 2016 which may result in further expansion of dairy production in Poland.

### **Trade:**

In 2008, Poland imported 762,000 doses of bovine semen worth US\$ 4,253,532. Direct imports from the U.S. amounted to 64,795 doses of bovine semen worth US\$ 349,034. Apart from direct imports, there is also a significant indirect flow of US bovine semen to Poland. It is estimated that most US origin semen is shipped to Poland via Great Britain and Germany. These shipments are not registered as exports to Poland due to existing common market within the European Union. It is estimated that indirect imports of US semen to Poland amount to 45,000 doses. Total exports of bovine semen from the United States to Poland in 2008 including indirect sales via other EU member states is estimated at 110,000 semen doses or US\$768,000. The U.S. market share in total value of imports in 2008 is estimated at 18 percent. Bovine genetics imported from other EU countries also originate from the United States as well as most of German, French and Dutch dairy bulls have 100 percent of U.S. dairy genetics.

Most of semen imported to Poland from the U.S. is used for insemination of cows' "bull mothers". Bull calves born out of these matings are then tested on their breeding value. After evaluation there are used in AI stations for production of semen needed by commercial dairy herds. Imports of young, unproven bulls are not allowed. However, it may change in near future because of genomics. genomic evaluation of breeding value of bulls was introduced in the United States on January 1, 2009, and there is hope this rating will be officially recognized by INTERBUL. Once recognized, Poland will allow for imports of so called "young bulls" based on their genomic evaluation.

April 1, 2009, the Holstein Association USA signed a mutual cooperation agreement with the Polish Federation of Breeders and Milk Producers, including mutual recognition of herd books. The agreement benefits both Polish and U.S. farmers through the exchange of genetics, training and education. Cooperative programs that led to the final agreement included: A week-long seminar on genomics testing as a means to evaluate dairy cows that was held in early March 2009 in Washington D.C. This seminar was sponsored by the USDA's Emerging Markets Program and organized by Cooperative Resources International; a visit to the Holstein Association USA headquarters in Brattleboro, Vermont March 16-17 by members of the Polish Federation to develop a road map for future cooperation; and finally a dairy seminar co-sponsored and supported by the Polish National Animal Breeding Institute in Balice, Poland March 30-31 which brought together a wide group of Polish experts, including Federation members, government officials and U.S. experts to exchange practical information.

The agreement is expected to play an important role in future development of trade between the United States and Poland as mutual recognition of herd books and training programs for dairy farmers expected to stimulate and significantly increase direct imports of Holstein semen and embryos from the United States.

### **Policy:**

Breeding policy is established by the Polish Federation of Cattle Breeders and Milk Producers (PFCBMP). The PFCBMP is responsible for maintaining herd books, milk recording program (Dairy Herd Improvement Program - DHIP) and official milk testing. The government is not directly involved in creation of dairy cattle breeding policy. However, the PFCBMP is partly subsidized from the budget through the Ministry of Agriculture.

The PFCBMP is not involved in production and distribution of bovine semen. However, within next one to two years, the PFCBMP is planning to acquire existing four AI stations and take control on behalf of dairy farmers on semen production and distribution. A process of transferring AI stations to the PFCBMP depends on the decision of the Ministry of Treasury to which they currently report. Acquisition of the AI industry by the PFCBMP may result in total control of the bovine semen market and their restrictive policy against imports.

The PFDBMP is a member of International Society of Animal Genetics (ISAG), International Committee on Animal Recording (ICAR), World Holstein Friesian Federation (WHFF) and INTERBUL. In April 2009, the PFDBMP signed an agreement on mutual recognition of herd books and cooperation with the US Holstein Association which will facilitate trade between the United States and Poland.